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ABSTRACT

The principal purpose of the conference on employment problems of low income groups which is summarized in this report was to ascertain the views of the conferees about, first, the impact of manpower programs on their respective constituencies and, second, important changes in manpower policies and programs that the conferees would recommend to enhance the employment, income and quality of life of their client groups. The following four subject areas are addressed in this report: meeting the shortfall in jobs and employment opportunities; developing better means and approaches for providing occupational and other skills required in the labor market; clarifying and working out the income relationship between jobs and support programs such as welfare and food stamps; and improving the quality of employment opportunities made available in terms of income and career potential. The appendix constitutes a major portion of the document and includes four sections. First is a list of the names of the conference participants. Second, the discussion themes for the conference are outlined. The third section contains written submissions expressing the views and concerns of each conference participant's group or organization on the conference theme (only submissions received prior to the conference are included). The fourth section includes the post-conference submissions of the participants. (JH)

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Proceedings of a Conference on Employment Problems of Low Income Groups

ED154174

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CE 015 883

A Special Report
of the
National Commission
for Manpower Policy

Special Report No. 5
February, 1976

1522 K Street, N.W., Suite 300,
Washington, D.C. 20005

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TABLE OF CONTENTS

	PAGE
FOREWORD	1
I. SUMMARY OF CONFERENCE DISCUSSION	7
A. MEETING THE SHORTFALL IN JOBS AND EMPLOYMENT OPPORTUNITIES	7
B. DEVELOPING BETTER MEANS AND APPROACHES FOR PROVIDING THE OCCUPATIONAL AND OTHER SKILLS REQUIRED IN THE LABOR MARKET	13
C. CLARIFYING AND WORKING OUT THE INCOME RELATIONSHIP BETWEEN JOBS AND SUPPORT PROGRAMS SUCH AS WELFARE AND FOOD STAMPS	15
D. IMPROVING THE QUALITY OF EMPLOYMENT OPPORTUNITIES MADE AVAILABLE IN TERMS OF INCOME AND CAREER POTENTIAL	17
APPENDIXES	
A. LIST OF CONFERENCE PARTICIPANTS	19
B. LIST OF SUGGESTED CONFERENCE THEMES AND MAJOR ISSUES RELATED TO THEMES	22
C. WRITTEN COMMENTS SUBMITTED BY CONFERENCE PARTICIPANTS PRIOR TO CONFERENCE	27
D. WRITTEN COMMENTS SUBMITTED BY CONFERENCE PARTICIPANTS SUBSEQUENT TO CONFERENCE	82

FOREWORD

In responding to its legislative mandate to advise the President and Congress on manpower policy and programs, the Commission has recognized since its establishment in the fall of 1974 that it can discharge its functions effectively only through close and continuing contact with key groups in the nongovernmental sectors of our society as well as with the various branches of federal, state, and local governments. Clearly, the design and carrying out of manpower policy in a democracy can never be the prerogative of government alone. Accordingly, the Commission is attempting to establish and maintain contacts with key groups that can help it carry out its important assignments. One approach being followed to develop contacts and dialogue is to hold conferences with representatives of business, labor, community groups, the research community, educators, state and local official, and still other sectors that have an interest in and are able to contribute to helping the Commission meet its congressional charge.

For this reason, among others, the Commission in the fall of 1975 decided to hold a working conference to seek the advice and counsel of those persons knowledgeable about the employment problems of disadvantaged and low-income groups. In November the Commission staff in collaboration with John Porter, a Commission member and the Superintendent of Public Instruction for the State of Michigan, identified key national organizations that work closely with disadvantaged groups to invite to the working conference and selected four themes related to employment problems of low income groups to suggest for the conference discussion. These themes are:

A. Meeting the shortfall in jobs and employment opportunities;

B. Developing better means and approaches for providing the occupational and other skills required in the labor market;

C. Clarifying and working out the income relationship between jobs and support programs such as welfare and food stamps; and

D. Improving the quality of employment opportunities made available in terms of income and career potential.

Each conference participant was asked to provide the Commission with a written submission expressing the views and concerns of his (her) group or organization on the four themes. (See Appendix A for those in attendance.) Submissions received prior to the meeting were circulated to all other conference participants and are reproduced in Appendix C. In addition, each participant was afforded the opportunity to submit post-conference submissions, and these are contained in Appendix D.

The principal purpose of the working conference was to ascertain the views of the conferees about, first, the impact of manpower programs on their respective constituencies and, second, important changes in manpower policies and programs that the conferees would recommend to enhance the employment, income, and quality of life of their client groups.

Two members of the Commission, the Reverend Leon Sullivan and Rudolph Cervantes, served as discussion leaders for two of the themes, together with Dr. Harold Connolly, Research Associate for the Metropolitan Applied Research Center; and Dr. Charles Betsey, Director of Research for the Black Economic Research Center, also served as a theme discussion leader. Dr. Porter, because of overriding obligations in Michigan, was at the last moment unable to attend. Discussion themes are outlined in Appendix B.

It was my privilege as Chairman of the Commission to preside at the conference, and I am setting out below the principal issues that surfaced during the discussion. This is not an inclusive listing. The report that follows and the written documents that the participants submitted provide a larger overview of their concerns and recommendations. Still, the following summary will provide the reader with a first overview of what was a most insightful and constructive interchange, which the Commission plans in the future to continue and broaden.

- The question was raised as to the boundaries that the Commission uses in dealing with manpower. It was explained that the Commission takes a broad view of manpower and considers not only manpower training and employment services to jobseekers and employers, but a wide range of service programs identified in the Comprehensive Employment and Training Act (CETA) and other human resources legislation.

- Much was made of the fact that the statistical basis for calculating populations in need of manpower services and allocating funds to serve them were adversely affected by inadequate statistical information. This deficiency is particularly important when such data is used to estimate the numbers and characteristics of minority group members, particularly those who are Spanish-speaking or are of Spanish heritage.

- People living in rural areas are poorly served with respect to manpower because of - among other reasons - the absence of any effective infrastructure to design and deliver manpower programs to them. It was suggested that consideration should be given to how the federal government might play a more direct role in providing manpower assistance to rural people.

- A further limitation in the planning and delivery of manpower programs reflects the weaknesses in learning about employment and unemployment among people in metropolitan areas and more particularly in the inner city. There are reasonably good data available at the national level but little detailed knowledge at Standard Metropolitan Statistical Area (SMSA) or in low-income urban areas.

- At all levels of government, there has been inadequate attention to the critical handicap that the Spanish-speaking people face because of their language barrier. There is a need to recognize that without a working knowledge of English, a person's ability to get and hold a job, more particulary a good job, is very slim.

- There was widespread evidence presented of weaknesses in enforcing laws and regulations against discrimination at every level of government. Since low-income people often belong to minority groups, weaknesses in antidiscrimination efforts are a major hurdle in their efforts to improve their job prospects. It was pointed out that part of the solution lies in minority group members registering and voting so that they can better insist on their rights.

- It was emphasized that although efforts to organize on behalf of an improved delivery of services to the rural population have only recently been accelerated at the federal level (through the Congressional Rural Caucus), concerned groups should also pay attention to the need for pressure at state capitals, where much of the power to improve conditions exists.

- The benefits that would result from better employment opportunities for the elderly were called to the attention of the conferees. Many older workers would be better off and less of a burden on the social welfare system if they had an opportunity to keep working, even if only part-time. It was noted that many women wish to re-enter the labor force after long separation from gainful employment. Greater availability of skills training would facilitate their re-entry to the world of work.

- A strong point was made about the limited involvement of community groups in the planning and delivery of manpower services under the CETA where most of the funds are passed down to prime sponsors through state and local government channels. It was noted, however, that Congress had made a conscious decision to structure CETA in this manner, even while under Title III it provided opportunities for the continued national participation of community groups.

- There was widespread agreement that if minority people were to be helped they need not only entry-level jobs, but also skills that will enable them to advance. The combined access to jobs and skill training will help eliminate discrimination in the distribution of both entry-level and skilled jobs.

- Much criticism was levied at the educational establishment for the inadequate preparation that many school leavers receive; but it was recognized that significant improvement would require not only a greater parental involvement in educational policy decisions, but also the more active interest of employers and labor in working with the school authorities to develop constructive reforms.

- The point was made that many state and local bureaucracies were very inefficient in the delivery of manpower services and that they feared the competition from community groups, many of which had special know-how and were in a better position to provide effective services at a lower cost.

- There was a recognition that work and welfare are sometimes closely related programmatically, as in the case of the Work Incentive (WIN) program, but such situations occur infrequently. For example, many handicapped persons have little opportunity to earn an adequate income through employment alone but do not have access to an income maintenance program to supplement their incomes. It was urged that it should be possible to develop a consensus in the United States for a minimum level of support for the poor. Copies of the National Urban League position paper on income maintenance were distributed by the Urban League to all in attendance.

- The challenge was raised to improve the linkages among manpower, economic development, and community development projects so that training would relate more closely to the supply of local jobs and improve the efficiency of community based projects. Conferees pointed out that a great many human needs might be better met through such a targeted approach.

- In exploring the role that community organizations play in an enlarged public works program, reference was made to the planning role that community groups have had in the public job creation program that is part of Title X of the Public Works and Economic Development Act (PWEDA). Some community groups were able to plan a large program with a small unit cost of about $4,000 per job, about half the amount requested by certain CETA prime sponsor applicants. It should be noted, however, that only CETA prime sponsors may receive Title X grant awards, although a limited number of community organizations within the jurisdiction of prime sponsor areas were selected to operate respective prime sponsor's Title X activities.

The foregoing, it should be emphasized once again, is only my selection from among a great many more points that surfaced during the discussion. The interested reader should acquaint himself with the full record that follows.

On behalf of the Commission, I want to express my appreciation to all those who contributed to making this interchange of ideas useful and constructive, thereby helping the Commission to discharge more effectively its responsibilities to the President, the Congress, and the American people.

ELI GINZBERG
Chairman

I. SUMMARY OF CONFERENCE DISCUSSION

A. Meeting the Shortfall in Jobs and Employment Opportunities

As an introduction to the discussion of the first theme one participant requested that the Commission provide the conferees with what it considers to be the definition of the term "manpower." The Commission Chairman explained that the Commission does not restrict manpower to training and related manpower services and direct labor market activities such as Employment Service activities. The Commission also considers the numbers and groups in and out of the labor force that might benefit from some type of manpower assistance; the manner in which the manpower sector intersects with economic policy and with other human resources systems, such as education and welfare; the present scope and thrust of federal manpower programs; and in general, the efforts of income support, job creation, manpower training, and job search activities.

Rural Manpower Problems

Perhaps the most significant point to surface regarding the discussion on the shortfall in jobs was the relatively less attention that rural manpower problems receive as compared to urban manpower problems. In response to a question concerning why rural areas receive less emphasis in manpower policy and legislation, it was pointed out that in the 1960's and early 1970's, the federal government had a tendency to "oil only the squeaky wheels," and such wheels were considered to be the urban groups. Also cited as a reason that rural areas get less federal attention than urban areas was the fact that the Manpower Development and Training Act (MDTA) and the Economic Opportunity Act (EOA) programs were oriented toward the problems and solutions of the urban manpower area. During the same discussion one participant suggested that current manpower legislation such as CETA caters to urban areas especially when funding grants are awarded to prospective or potential deliverers of manpower services.

Throughout the discussion of the problems encountered by rural Americans, participants attempted to pinpoint reasons that the federal government has failed to identify certain remedies for the economic ills in rural America. One national community organization leader emphasized that for the federal government to listen to any community groups, "the groups must raise hell and be a statistic," and seemingly rural advocates have not done so. It was also pointed out that there were a limited number of advocates fighting for rural area residents. It was suggested, however, that a few large urban groups have recently begun to lobby effectively for rural areas and seem to be making some progress. Also identified as a major problem was the many definitions of the word "rural" used by the government. Participants were aware that many federal government agencies, through legislation, had defined rural areas in several different ways. That is to say, one federal agency may view one area as urban or nonrural, while another agency classifies that same area as a rural or farm area. This discussion led many participants to suggest that the universe of need is not known for rural areas, and an effective federal manpower delivery system does not exist to deliver manpower programs to rural areas. One participant added that the capability for counting rural nonfarm persons was nonexistent.

Other participants suggested that the general lack of reliable demographic data on rural areas has led the federal government to shortchange rural areas in the allocation of manpower funds. A major point drawn from the discussion on rural area problems is that state and local CETA prime sponsors lack the technical ability to design and implement rural manpower programs.

Data Inadequacies and Undercounting

The inadequacy of ample and valid demographic data for granting manpower funds to local prime sponsors and the serious undercounting of the rural poor and urban minority emerged as primary topics of concern and yielded the following points: (1) the federal government has not identified an effective method of enumerating the number of low-income persons in isolated areas; (2) the local CETA prime sponsors are not provided with accurate data on the demographic characteristics of persons to be served, the number of people to be served, the extent of services needed to upgrade or qualify people for work,

or the number of federal target groups in need of special services; (3) such data deficiencies usually result in the creation of programs that will fail to serve those most in need. It was also pointed out that state and local prime sponsors should study more closely the movements of industries into their local areas. Finally, it was charged that prime sponsors have little technical ability to develop the demographic data and other information needed for effective manpower planning.

A few participants pointed out specific examples of government agency undercounting. One conferee cited an incident where six different agencies estimated the number of migrant seasonal farm workers in the country from 200,000 to 7 million. Still another participant stated that his organization conducted a statistical survey that enumerated the number of farm workers in one state at 15,000, whereas the federal government places the number of farm workers at only 7,000.

When asked what the Commission is doing or could do to improve demographic data, the Chairman pointed out that the Commission is planning to undertake several studies concerning demographic aspects of the labor force. These studies will involve analysis of, first, the relationship between demographic trends and unemployment rates in the past and forecasts of such relationships in the future. Second, the studies will explore the flow of different demographic groups, especially minority groups, into and out of the labor force, certain occupations and industries, and welfare status. Finally, the studies will attempt to appraise the impact on the labor force of changing family sizes, increased female participation in the labor force, and trends toward earlier retirement of older workers.

Discrimination

The conferees cited discrimination as a major impediment in achieving employment opportunities for some groups. Some participants suggested that a trend exists to de-emphasize current discrimination laws, and this trend includes a weakening of the federal agencies concerned with discrimination. They suggested that the Commission attempt to reverse this trend and re-establish agency enforcement of discrimination laws. Eli Ginzberg, Commission Chairman, pointed out that the Commission is sponsoring development of an "expert paper" on discrimination and is very concerned about this problem.

Conferees described a number of examples of discrimination that they believe exist in manpower programs. First, a system of patronage seems to exist within the CETA system, and such patronage discriminates against minority groups. Second, it was suggested that under Titles II and VI of CETA, Spanish-speaking people must be more qualified than other minorities to obtain jobs, yet once employed they work in Public Service Employment (PSE) jobs that are less desirable than the jobs that members of other minority groups have. Third, the median level of education of PSE jobholders is highest for blacks, intermediate for Spanish-speaking, and lowest for whites. By contrast, however, wage rates are highest for whites, intermediate for Spanish-speaking, and lowest for blacks.

After lengthy debate over the degree of discrimination that exists in CETA and PSE programs and in private job hiring, one conferee stated that ample discrimination laws are "on the books" but agencies that implement and enforce the laws are bogged down in red tape and are greatly understaffed.

The conferees cited a number of other reasons for the shortfall in employment opportunities in addition to rural manpower problems, discrimination, and data inadequacies. These reasons include problems of the elderly and of women, unobligated CETA funds, the role of community based organizations in operating manpower programs, and special needs of selected CETA clients.

Problems of the Elderly and of Women

Participants were reminded that elderly workers belong to all races and both sexes and generally have a hard time finding jobs at all times rather than only when economic conditions are poor. Once older workers are terminated or leave the labor force, it was explained, very little chance exists for them to return to productive employment. In addition, it was pointed out that CETA prime sponsors have limited the number of Title II public service jobs going to older workers.

Improved skill training for women was discussed. It was pointed out that skill training and jobs should be provided to women in greater quantities and manpower planners should become cognizant that many women who enter the labor market do so after long separations from the labor force and are in greater need of special training and supportive services than are many males.

Unobligated CETA Funds

According to one participant, many community organizations are concerned with the unobligated CETA funds that are unexpended at the end of each fiscal year. After discussion of this topic, it was suggested that the federal government consider allocating these unexpended monies to rural manpower programs.

The Federal Government and CETA

Several charges were made that CETA prime sponsors have abandoned the legislative mandate to serve the disadvantaged, and prime sponsors are serving a much larger group of participants, namely, the recently unemployed, most of whom have had strong attachment to the labor force and have a high probability of finding a job quickly. In addition it was suggested that the current economic problems seemed to be macro-economic problems and therefore could not be attacked or remedied through a decentralized system that allows 400 prime sponsors to plan and provide a range of services to individuals. These charges prompted some conferees to suggest that a centralized manpower approach could better solve the nation's manpower problems. Some attendees suggested that the federal government redefine, modify, or drop CETA and rebuild the manpower efforts on the categorical approach used prior to 1973.

Realizing that CETA alone will not solve the unemployment problems in periods of high unemployment, conference participants debated the extent to which the federal government should become the employer of <u>last</u> resort or for that matter, the employer of <u>first</u> resort. Several participants discussed the merits of the federal government undertaking massive hiring programs when the unemployment rate reached or exceeded three percent, while other participants noted the potentially high cost of such an effort. Other opponents of the concept of the government's being an employer of last resort, felt that general economic

policy should be used to enhance job creation and to slow or reduce the unemployment rate. Although no conclusions were reached regarding this issue, it was agreed that the federal government should maintain an active role in providing some public service jobs as well as "soft" public works projects in the form of community development projects.

Community Based Organization Participation

Several conferees were concerned that community based organizations (CBO's) were being underutilized under the CETA system. This subject was raised in the discussion of all four themes. Ways and means of improving utilization of CBO's were a point of a considerable amount of discussion.

Throughout the meeting, conferees asserted that CBO's should have ongoing participation in the decision making process relating to assisting the poor.

Other representatives of community based organizations charged that their organizations are slighted under the decentralized manpower delivery approach. Since their funding is not guaranteed, community based organizations must compete with other applicants. CBO representatives were troubled that they must spend about six months of each year in activities related to the refunding of their programs. In addition, most conferees felt that they are required to be overly accountable for funds while other recipients of manpower funds are not forced to comply with complex accountability regulations. The majority of participants also felt that the employment and training programs conducted by community groups should be provided for a minimum of three years to guarantee continuity, comprehensive plannings, evaluation, and meaningful follow-up of such programs for the poor.

Plight of Manpower Clients

Conferees maintained that there is a "real need" for guaranteeing certain demographic and interest groups equitable treatment by all prime sponsors. Assertions were made that some prime sponsors have been negligent in responding to the training needs of women, blacks, and the Spanish-speaking. Conferees stressed the need for clients, after CETA training, to obtain jobs that

provide above-poverty income, employment stability, and income security that would enable them to have a perpetual lifestyle above poverty levels.

As a final note to the first theme, participants argued that solutions to the nation's manpower problems depend to a large degree on the ability of state leaders to involve buisness, industry, colleges, county and city officials and state legislators in the design of manpower programs. As part of this final note, it was suggested that CBO's would never solve the types of problems mentioned above until they direct the same concerns and recommendations to state legislators and governors.

B. Developing Better Means and Approaches for Providing the Occupational and Other Skills Required in the Labor Market

One conference participant pointed out that participants must have a capability to evaluate current occupational and other skills needed in the labor market in order to discuss this theme. It was suggested that participants could not make this evaluation with available occupational data. On the issue of institutional education, it was suggested that "we must hold educational and training institutions accountable and make them justify their curriculum determination process." On this same issue, other conferees suggested that training should be related more closely to work in terms of both the content of training and the possibility of employment after training. One participant felt that all vocational training programs should utilize equipment similar to that used by industries. This practice would mean that when trainees became employed they would be familiar with such equipment and would be able to perform more effectively. Several other participants pointed out that such training for skilled crafts could be accomplished in less than the standard four-year apprenticeship training program.

Vocational Education

Much conversation centered around vocational education and the belief that it has not met the training needs of the disadvantaged. One conferee representing education and training institutions told the participants that once industrialists tell educational institutions what they want taught, then the institutions will teach

it. The conferees noted further that in spite of the chronic complaints from some quarters that training and education lack relevance to employment, employers are seldom willing to come forth with specific suggestions for "curriculum content." The same participant also said that conferees must not forget that the major purpose of education is not only to teach individuals how to become successful in jobs, but also to teach them methods of coping effectively as human beings throughout their lives.

One participant believed that some communities are segregated into different socioeconomic and demographic groups and that these groups do not relate to traditional vocational educational institutions. Hence, it was suggested that community based groups could and should provide training and meet other needs of those individuals not able to effectively relate to vocational educational institutions. It was further suggested that most state vocational educational institutions are unwilling to share their training responsibilities with community groups unless they are forced to do so.

In addition to questioning the effectiveness of some educational services, conferees felt that the "system" had abandoned its sense of urgency and that many federal agencies are currently failing to perform their mandated responsibilities. Conferees also insisted that these agencies are not being forced to improve their performances. One participant cited the practices of some government agencies of closing buildings at 3:30 p.m. and of locating them miles away from poor neighborhoods as examples of the lack of institutional concern for the poor.

Some participants also described and complained about the limited amount of manpower funds available to groups other than state and local prime sponsors. Participants cited several incidents where numerous Spanish-speaking groups are competing for an insignificant amount of Title III funds for the English as a Second Language (ESL) program. One example of such competition that was cited was the request by a prime sponsor of a major city for twenty-five community organizations to develop ESL program proposals and bid competitively for less than $300,000.

There were additional charges and complaints relating to ESL funds. It was stated that (1) the level of ESL funds allocated to prime sponsors declined in 1975; (2) these limited funds went only to local governments instead of to Spanish-speaking groups, although CETA legislation made provisions for ESL funds to be allocated to Spanish-speaking groups; (3) government restrictions and programmatic philosophies restricted the funds to certain local authorities.

C. Clarifying and Working Out the Income Relationship Between Jobs and Support Programs Such as Welfare and Food Stamps

Work and Welfare

A host of suggestions and concerns were expressed regarding this theme. The crux of the discussion centered around mandatory work requirements, welfare eligibility, and quality job creation programs for the poor. One participant suggested that if government manpower policymakers could not develop a comprehensive manpower approach that would lighten the economic burdens of the poor and unemployed, then a comprehensive income maintenance system should be developed. On the basis of this suggestion, some participants agreed that the time had come to separate workfare from welfare. The participants, however, failed to come to any resolution of the problem of maintaining work incentives and the role of work test procedures involved in certain income support programs. Not able to resolve the question of which groups should work and which groups should remain on welfare, most participants agreed that for many persons on welfare, training and employment opportunities are not the most feasible means of solving their social and economic problems. This is especially true for workers with large families, the elderly, and the handicapped.

One participant explained that an income maintenance policy or system must allow persons who want to work the means of earning a decent living, and it should provide some form of compensation when the "work system" cannot meet the needs of the people. One approach suggested as a means of providing a workable or modified income maintenance system is for the government to abolish the present system of transfer

payments programs and to implement a basic guaranteed income for those who are chronically unable to work.

Several additional suggestions regarding a welfare system were made. First, a welfare system must be concerned with the worker rather than with corporate productivity. Second, a welfare system must examine the motives and interests that cause some people to work and others to apply for welfare when jobs and training are available. Third, participants questioned whether a guaranteed income would adversely affect work efforts if workers knew their incomes would be supplemented with federal funds. Reference was made to the so-called New Jersey guaranteed income pilot program of the late 1960's in which evidence showed that no major adverse effects on work incentives were created when workers were receiving income support. Fourth, local governments should determine the appropriate income levels for income maintenance programs for their indigenous areas through a consensus. Finally, several key suggestions were made with reference to the income relationship between jobs and support programs. The conferees called for increased emphasis to be placed on "good jobs" and also for more emphasis to be placed on what elements constitute a "good job."

One participant noted that manpower training programs could only perform a limited function, and in some cases prime sponsors are in effect training persons for occupations and jobs that are either obsolete or suffering from recessionary layoffs. It was therefore emphasized that a greater need in reducing the unemployment rate is not training more workers, but creating more jobs.

When asked how community groups could aid the unemployed if more jobs were available, one participant said he believed that a coalition of community groups was needed to:

- identify appropriate program participants;
- assure that these participants know about program possibilities;
- help persons qualify for programs; and,
- insure that they performed satisfactorily in the programs.

D. Improving the Quality of Employment Opportunities Made Available in Terms of Income and Career Potential

Discussion regarding this theme prompted one participant to suggest that the CETA system should put greater emphasis on the concept of on-the-job training (OJT), rather than on institutional training. It was also emphasized that the following aspects of OJT deserve special attention: career ladder employment, income derived from the jobs, development of citizenship qualities in the worker, and the tax benefits society receives from OJT jobs.

Participants suggested that two ways to improve the quality of jobs are to raise wages and to guarantee upward mobility in jobs. It was suggested that the government provide tax incentives to those employers that offer educational release time to entry level employees. It was also suggested that the following steps be taken to increase employer use of minority groups:

- Enforce stricter adherence to existing civil rights legislation
- Establish service standards for state and local governments that receive federal funds
- Institute incentives for the federal government to improve state and local government career development practices
- Eliminate unnecessary credentialism in the federal service and in state and local government
- Subsidize job restructuring.

Conferees generally agreed that an important difference exists between jobs and careers. Careers have a long-term personal meaning as well as income, but many jobs provide just income and little else. In addition, it was suggested that improvements are needed in the quality of employment opportunities available to Americans, and workers must develop a personal commitment to good jobs once such jobs are available.

In conclusion, representatives of community groups and organizations seemed to view the working conference as a frank and open exchange of the problems experienced by the disadvantaged as well as by those organizations

that serve them. Throughout the conference discussion and in the related submissions prepared for the conference, participants expressed a desire that the Commission continue dialogue with a cross section of community groups in all of its activities and that such dialogue be transmitted to Congress.

Participants were well aware of progress made in serving the human services needs of poor and disadvantaged Americans, but they indicated a greater need in this bicentennial year for the government, academicians, community groups, and business to join forces in an all-out effort to eradicate the employment problems of low-income groups.

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APPENDIX A

LIST OF CONFERENCE PARTICIPANTS

PARTICIPANTS WHO ATTENDED THE NCMP CONFERENCE
ON EMPLOYMENT PROBLEMS OF LOW INCOME GROUPS

Conferees:

1. Dr. Charles Betsey
   Director of Research
   Black Economic Research Center

2. Tyrone Brooks
   National Communications Director
   Southern Christian Leadership Conference

3. Manuel Bustelo
   Special Assistant to the Director
   Puerto Rican Forum

4. Sonya Caban
   Legislative Assistant
   National Congress of Hispanic
   American Citizens

5. Dr. Harold Connolly
   Research Associate
   Metropolitan Applied Research Center

6. Lawrence Givens
   Manager
   Entry-Level Training Programs
   Chrysler Corporation

7. Elton Jolly
   Executive Director
   OIC's of America

8. Dick Joanis
   Agency Coordinator
   Migrant and Seasonal Farmworkers Association

9. Tom Jones
   Executive Director
   National Association of Farmworkers Programs

10. H. Jerome Miron
    Executive Director
    National Center for Community Action

11. Antonio Morales
    President
    American G.I. Forum

12. Judy Paulus
Deputy Director, Senior Aides Program
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APPENDIX B

LIST OF SUGGESTED CONFERENCE THEMES AND MAJOR ISSUES RELATED TO THEMES

LIST OF SUGGESTED CONFERENCE THEMES AND MAJOR ISSUES RELATED TO THEMES

Theme A - Meeting the Shortfall in Jobs and Employment Opportunities (Theme Leader: Dr. Charles Betsey, Director of Research, Black Economic Research Center)

- What criteria should be used to determine the appropriate mix of employment creation tools such as monetary and fiscal policy, public service employment and public works?
- How could PSE be restructured to meet the three goals of (a) manpower development, (b) job provision during downturns, and (c) job provision for structurally unemployed workers?
- What employment and housing implications would result from relocating structurally unemployed workers?
- What are the issues and policies related to a full employment policy:
  - What is an acceptable rate of unemployment?
  - What should be the definition of unemployed workers?
  - Should earnings from guaranteed jobs be above poverty levels or should transfer payments supplement earnings?
- What can be done through manpower related policies toward involving the private sector in creating or maintaining employment during economic downturns?
- What can be done to facilitate the transition of individuals who are engaged in countercyclical manpower activities back into the regular labor force after economic recovery?
- How should countercyclical manpower efforts be related to ongoing manpower efforts to minimize possible disruptions or adverse effects?

- What options or alternatives may exist in the actual delivery or provision of countercyclical manpower efforts - in terms of federal and state government, local authorities, community groups, etc.?

- What can be done to promote better timeliness of countercyclical manpower measures and what steps can be taken to facilitate their phase out?

- What public service employment or public works projects would be most beneficial to predominately low income neighborhoods?

Theme B - Developing Better Means and Approaches for Providing the Occupational and Other Skills Required in the Labor Market (Theme Leader: Rev. Leon Sullivan, Commission Member)

- What mix of manpower policies such as income transfers, manpower services and direct job creation should the hard-core disadvantaged and recent unemployed receive and what priorities need to be established?

- What is the appropriate role of low income groups in developing and influencing local, state and national manpower training policies and program design and how can this involvement be achieved?

- What role can manpower policies and programs play in providing more effective relationships between education and the labor market? Are there special programs or activities which can provide for a more structured transition from school to work?

- What should be the role and functions of community based groups in providing training?

- How can the labor market information system be improved to help guide more effectively the production and use of skilled manpower?

Theme C - Clarifying and Working Out the Income Relationship Between Jobs and Support Programs Such as Welfare and Food Stamps (Theme Leader: Dr. Harold Connolly, Research Associate, Metropolitan Applied Research Center)

- What could be done to provide better manpower services to welfare recipients?
- What work incentives could be built into income support systems such as welfare?
- What work tests should be used, who is employable, and could one work test be used for all manpower programs?
- Can the unemployment insurance program be reoriented to provide manpower services for recipients needing such services?
- What improvements are needed in coverage, benefit levels, trigger mechanisms and financing of the UI system?
- What steps should be taken to correct some portion of the emergency income transfer system to a work and training based earnings system?
- What are the manpower and employment implications of a negative income tax approach to basic income support?

Theme D - Improving the Quality of Employment Opportunities Made Available in Terms of Income and Career Potential (Theme Leader: Mr. Rudolph A. Cervantes, Commission Member)

- How can manpower policies and programs affect both labor market structures and internal labor markets to improve access to jobs and occupational advancement for low income groups?
- What should employers do to improve worker opportunities for low income groups?
- What additional equal opportunity regulations would improve access to jobs and career potential?
- Are current manpower and manpower related programs such as CETA, WIN and vocational education as well coordinated to meet career needs of disadvantaged as their mandates provide?

APPENDIX C

WRITTEN COMMENTS SUBMITTED BY CONFERENCE PARTICIPANTS PRIOR TO CONFERENCE

PAGE

A. SUBMISSION BY THE OIC'S OF AMERICA, INC..... 27

B. SUBMISSION BY THE NATIONAL URBAN LEAGUE, INC..... 31

C. SUBMISSION BY THE NATIONAL COUNCIL OF SENIOR CITIZENS..... 43

D. SUBMISSION BY SER/JOBS FOR PROGRESS, INC. "THE IMPACT OF THE FIRST YEAR IMPLEMENTATION OF CETA ON THE SPANISH-SPEAKING"..... 48

E. SUBMISSION BY THE MIGRANT AND SEASONAL FARMWORKERS ASSOCIATION, INC..... 55

F. SUBMISSION BY THE METROPOLITAN APPLIED RESEARCH CENTER, INC..... 60

PRE-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY

OIC's OF AMERICA

OICs of America, Inc., 100 West Coulter Street, Philadelphia, Pa. 19144 • (215) VI 9-3010

REV. LEON H. SULLIVAN
Founder & Chairman of the Board

ELTON JOLLY
Executive Director

December 23, 1975

Dr. Eli Ginzberg
Chairman
National Commission for
Manpower Policy
1522 K Street, N. W.
Suite 300
Washington, D. C. 20005

Dear Dr. Ginzberg:

I welcome the opportunity to participate in the deliberations of the National Commission for Manpower Policy, and am especially pleased that you are expressing concern for the employment problems that the disadvantaged are experiencing. As Reverend Leon Sullivan, Founder and Chairman of the Board of OIC, is a member of the Commission, I know that the views of OIC have been presented to the Commission; however, I want to share with you comments on the four themes which are suggested in your letter.

1. The shortfall in jobs and employment opportunities must be decreased if poor people are to become employed. While economic recovery is crucial for an increased demand for workers, I also believe that we must improve the labor exchange so that job openings are filled more quickly. We must also assure that poor people are served by the labor exchange. It is my feeling that the progress that was made during the past ten years, especially by the employment service, has been all but eliminated by the current economic crisis. We must not cease service to poor people because millions of non-poor are unemployed.

   While we are working to change the economic conditions and increase labor demands, we must also recognize that public sector employment must expand if we are to create enough jobs for all Americans. The human services needs of Americans in the fields of health, education, social services, and housing, are much greater than our

present resources. There is also a need for expanded public services in the areas of transportation, environmental protection and reclamation and resurrection of many of our communities. These needs will never be met by the private sector, therefore, we must develop policies to finance them with public funds. We must increase public services which will meet the needs of all Americans and also employ large numbers of unemployed persons. Rather than a counter-cyclincal public employment program, we need an expanded and permanent public service program.

2. Increased income and career opportunities must be an integral part of a national employment policy. OIC has been striving to meet these goals for the past eleven years, but until the public education system establishes preparation for careers as one of its priorities, we will always be serving the failures of the education system.

   The national employment policy must also assure that people have the opportunity for continued training or retraining during their working lives. Industry must be encouraged to train its workforce, and public agencies must have the resources to provide continuing education and career planning to all working people.

3. There must be also a closer relationship between education and training, and employers. We can no longer tolerate training people for obsolete jobs. We must bring employers into our schools and educators into the workplace. OIC has always had active Industrial Advisory Councils and advisory committees composed of employers in each training area. The vitality of these committees assures that our training is relevant and that our trainees are employable.

   We must recognize the investment of time and money that is made by anyone who enters training programs. While we must assure that all working people have the opportunity to increase their skills, we must also assure that the increased training prepares people for career opportunities.

   As the school age population decreases, we must consider recycling the underutilized school facilities as career

advancement centers. The experience of OIC demonstrates that poor people will make sacrifices to improve themselves if they have the opportunity. We must assure that this opportunity is offered to all Americans. The scale must be larger than a few experimental programs. We must make a national investment in our human potential.

4. We have been struggling for years with the relationship between income support programs, services support programs and self sufficiency. However, we are doomed to failure unless there can be a clear statement of national policy which spells out what all Americans can expect in terms of minimum income and minimum services. I believe that it is impossible to establish a consistent policy from the present hodge-podge of national programs.

   We must have a national minimum income policy. We must have a national service policy, such as the public education policy which guarantees every child a high school education, for all human services. These minimums must be at a level which will sustain life and engender hope. I believe that if there is security, even at a minimal level, human beings will strive for more, and will seek to become independent and self sufficient.

   Our national policy must be predicated on hope and faith in the ideal that people will improve themselves. Our present policies are more concerned with limiting services to those who might take advantage of the country. We have many safeguards and checks for eligibility and therefore, we limit the hope of people.

Hopefully, these comments will stimulate discussion at the January meeting. I am pleased that I will be able to participate.

Sincerely yours,

Elton Jolly

Elton Jolly
National Executive Director

EJ/jod

PRE-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY THE

NATIONAL URBAN LEAGUE, INC.

EMPLOYMENT PROBLEMS OF LOW INCOME GROUPS

National Urban League, Inc.

The National Urban League has long been acutely aware of the social and economic problems of low income groups. As a non-profit, non-partisan interracial organization, the National Urban League for the past 65 years has sought to improve economic conditions affecting blacks, other minorities and the poor. The National Urban League and its 104 affiliates have been active in seeking to secure equal opportunity through programs in employment, economic development, education, veterans affairs, health, housing and law enforcement.

Current unemployment and EEOC statistics indicate that the League's efforts must be continued, and we appreciate the opportunity to participate in the Commission's efforts to address the economic problems of low income groups who represent the greatest portion of our constituency.

Shortfall in jobs and employment opportunity

The National Urban League is committed to working for a federal policy of a full employment program within the context of broad social and economic planning. The 30th anniversary of the Full Employment Act of 1946 approaches with its mandates still unmet and never seriously addressed. Unemployment has remained between 8.3%-8.6% since last May's 9.2% peak rate - more realistically, 11.7% including the

discouraged workers - and is almost double these figures for blacks and four times greater for minority youth as reported by the Urban League's Research Department in its Quarterly Economic Report on the Black Worker. National official adjusted unemployment rates for blacks fell from 14.2% in October to 13.8% in November - a proportional decrease of 2.8% compared to a decline of 3.8% for whites, from 7.9% to 7.6%, reflecting the disproportionate rehiring of whites.

The League urges the Federal Government to establish goals and set forth a program to restore full employment, production and purchasing power. A national purposes budget, both economic and social, must be developed which identifies the consumption and investment levels needed for full employment and the more efficient use of our productive capacity. Forecasts are not sufficient. The economy is operating at an annual rate of about $215 billion below full resource use. Production must be increased to utilize these resources and create jobs.

A National Task Force comprising representatives from business, community-based organizations, government, and unions should be established immediately to address these problems and the implementation of shorter range programs described below.

To meet the immediate unemployment program, the League supports an increased and two-pronged Public Service

Employment (PSE) program, which includes training of employees and provision for transition to unsubsidized employment.

It recommends a separation of PSE programs used for short range counter-cyclical purposes to provide employment for the recently unemployed from those used longer range to provide work experience and training for the structurally unemployed so that they may be better prepared to enter the labor market. General revenue sharing with Federal guidelines and community input in planning should be provided local governmental units to maintain their staffs needed to provide services during severe recessions, and thus avoid maintenance of effort conflicts.

Counter-cyclical PSE should be restructured to include project oriented programs sponsored and administered by private non-profit organizations, such as the League, as well as by governmental units.

PSE to combat structural unemployment should also utilize community based organizations and other-non profit institutions to a much greater extent to provide work experience, counselling and training to the disadvantaged and underemployed to increase their employability.

The League also endorses a public works program as a means of creating jobs as well as much needed facilities. The Department of Labor has estimated that a one billion

dollar investment in construction would result in the direct creation of about 50,000 jobs, half on site and the remaining in the servicing and supplying of the construction operation. The nation has a large backlog of needed facilities - mass transit, solid waste disposal and educational facilities to name a few - which could be activated without undue delay. Indeed, many projects, such as New York's Second Avenue subway, have been halted midway for lack of funds. Priority in the allocation of funds should be for programs and projects in areas of high unemployment. Priority in the granting of jobs should be given to those unemployed the longest and most in need.

The League urges quick passage of the Joint House and Senate bill just agreed upon by conference committee to provide $4.75 billion for counter-cyclical revenue sharing and public works.

Improving the quality of employment opportunities

Despite the myriad of anti-discrimination laws which have been passed since 1964, many primary jobs are still being denied blacks and other minorities. As of June 30, 1975 EEOC had a backlog of 107,761 individual and class action suits. It projects 128,761 cases in FY'76 of which about 91,000 will be resolved. Class action suits are being filed against government units as well as against private industry, and most compliance agencies are grossly under-staffed.

Many minorities with employable skills are "low income" only because of discrimination. The National Urban League urges, as a means of improving the quality of job opportunities for minorities, the implementation of affirmative action statutes through adequate funding of compliance agencies and greater pressure by the Executive Branch on industry, business, labor and local governments to comply.

The Urban League further urges the recognition by the federal government of the need to use its resources more vigorously to encourage the employment of women in higher paying jobs traditionally filled by men. In 1974, 32% of all black women in the labor force were heads of households, and the average annual earnings in 1974 of black women was $3,356 compared to $3,853 for white women, $5,864 for black men and $9,652 for white men.

Further efforts are also needed to increase productivity of entry level jobs to permit higher wages, and to establish and publicize career ladders which begin with entry level jobs to motivate those entering at the bottom rung.

Better means to provide occupational and other skills

There is an urgent need for greater coordination between our educational institutions and employers, both locally and nationally, so that the timing and content of skills taught are consistent with the needs of the job market. Better long

range planning by employers is needed and greater sharing of information.

Students, beginning at the elementary school level, should have an opportunity to observe various occupations, should be given better information about career choices, and receive competent vocational guidance. The concepts of the Urban League's "School to Industry" program which provided contact between employers and high school students and an opportunity for part time work for students should be widely implemented. The federally sponsored experimental Career Education program in five school systems in the nation introducing career information in the curriculum of grades K through 12 is also an effort in this direction. Evaluation of this program to determine its impact is just beginning through follow-up of graduates from high schools in the program, and replication of this program may be beneficial.

The Urban League strongly recommends much greater emphasis on the concepts of on-the-job training (OJT), rather than institutional training, as the most efficient means of increasing occupational skills. It further recommends, however, that the optimal approach would provide a combination of both approaches, with some opportunity for classroom training on the OJT site. Employers in the private sector, in governmental agencies and in non-profit institutions should be subsidized by the federal government for additional costs

of training the 'hard-to-employ' as in the past, and this subsidy should be expanded to include classroom education in basic skills. Training schedules should be specifically determined and made known to the employee, and the program instituted only where adequate supervision and training can be efficiently administered. To provide for potential employees of small firms which are not equipped to provide training, and the opportunity for persons to learn basic technical skills, however, classroom training is necessary. Courses offered in Skills Centers and Vocational Schools should be analyzed to determine their relevancy to local needs and modified where necessary.

Many persons who are "disadvantaged" and unemployed need test-taking skills to overcome one of the barriers to employment in civil service positions, in the apprenticeable trades, and in many corporations. Instruction and practice in test taking should be provided as part of programs counselling these low-income groups.

Neighborhood Youth Corps (NYC) and Work Experience programs should be modified to allow placement in private corporations in order to broaden the horizons of the participants and increase the potential placement opportunities. Students from low income families should be given the opportunity to work part-time after school both in the non-profit and profit sectors.

The League supports the suggestion of the National Manpower Institute for a pilot study establishing education-work councils in several cities and rural areas composed of school officials, employers, members of labor unions, and the public to develop and administer education-work programs.

The League further supports the concept of ongoing education and training to provide possibilities of upgrading for persons after employment. Courses in public schools should be made available to adults at night, and on-site courses should be provided by employers to provide the specific skills needed for upward mobility within the firm.

Because many primary jobs have been relocated from center cities to suburban areas with limited housing for low-income families, greater attention must also be given to improving means of public transportation to provide access to these jobs.

Relationship between jobs and support programs

The poor are not an isolated, unchanging group, but a highly variable population with large numbers of families moving in and out of poverty each year. There are presently about 23 million Americans in families with incomes below the poverty level, many with single heads, and including about 3 million persons over 65 and about 9½ million children. The major reasons for a family to enter or leave poverty are

demographic - birth of a child, marriage, separation, divorce, death, illness, or retirement of the family head. Chronic earnings deficiency, however, is the most pervasive problem facing the working poor, who constitute a large proportion of the poverty population.

The National Urban League in February, 1975 endorsed the concept of a national income maintenance program which would merge the welfare system and the tax system to prevent and eradicate poverty by placing a floor under all incomes through the provision of a credit income tax. Social Security and Unemployment Benefits would be retained as would deferred compensation programs, but aid-to-the-needy programs which cost $27 billion in 1973 would be replaced.

Each person (or family) in the country would receive a basic yearly grant or tax credit from the federal government. All income other than this grant would be taxed progressively. There would be no means test, no work conditioning and no explicit eligibility criteria. The system would be federally administered and funded, and benefits would be in cash, not in kind.

Many of the current transfer programs funded by federal, state and local governments are poorly coordinated, inequitable, stigmatizing, counter-productive to work incentives and family stability, and complex and inefficient in administration.

Cash benefits to low income families would not be coupled with a work incentive provision. Lack of such a provision does not lead to a significant change in work patterns, as was overwhelmingly demonstrated in the recent New Jersey Graduated Work Incentive Experiment conducted by the Office of Economic Opportunity. Only when the benefit retained was reduced by more than 70% due to earned income was there a reduced work effort.

In the past many programs were work-conditioned based on the false beliefs that jobs are available, that the poor have a weak attachment to work, and that all the poor are fully employable. The facts are that jobs are scarce, that most persons prefer to work, and many people are unemployable for temporary periods due to illness, death, divorce, separation, marriage or birth of a child, as well as from lack of skills.

The Urban League further urges that supportive services now provided mothers on welfare, such as child care, not be denied when the mother obtains a job, as frequently occurs now. The League encourages industry to develop in-house day care centers for children of working mothers where the community does not have adequate, free or low cost conveniently located facilities.

Conclusion

The official adjusted unemployment rate for blacks in November, 1975 of 13.8%, compared to 7.6% for whites, demonstrates the urgent need for immediate recommendations by the Commission to combat jointly the overall shortage of jobs and the continuing discrepancy in unemployment rates of whites and blacks in the labor force.

The National Urban League strongly urges the Commission, in its first annual report to the President and the Congress, to recommend the establishment of full employment goals in the context of national economic and social planning. Immediate large scale job creation is needed, targeted to those persons willing and able to work who have been excluded from the labor force by discriminatory practices, and including provision for on-the-job training for those lacking employable skills. Transition provisions should be requirements of all PSE programs, and affirmative action programs closely monitored by the federal government. Community based organizations should be more fully utilized to administer programs, recruit and place participants, and as employers.

Public works programs should be implemented in areas of high unemployment with priority for employment given to those most in need.

Programs to provide closer cooperation between employers

PRE-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY THE

NATIONAL COUNCIL OF SENIOR CITIZENS, INC.

OLDER WORKERS

The National Council of Senior Citizens, while no authority on employment problems and manpower programs on the whole, has experience in both areas as they pertain to the older person. It seems particularly pertinent to have included the National Council of Senior Citizens in this meeting on "employment problems of low income groups" since people 55 years and older constitute 21.2% of the people below the poverty line, although comparatively, this group comprises only 19.5% of the population.

For means of discussion the following statistics on the 55+ group seem pertinent. This group represents:

1. * 7.6% of the unemployed (9/75)
2. *12.2% of persons unemployed 27 weeks or longer (9/75)
3. 15.2% of the civilian labor force (9/75)
4. *15.6% of the unemployed heads of households (9/75)
5. 21.2% of persons in poverty (1974)

But only 3.15% of the persons assisted by CETA (F.Y. 1975)

---

* We would like to note that the unemployment statistics for older workers seem quite unreliable. During the 1950's and 1960's the number of older people in the labor force expanded by approximately 4 million. Since 1970, as recession hit, the number has decreased slightly. However, the official figures for the number of unemployed older people has not correspondingly increased.

Number of unemployed 55 years and over

1950	505,000
1974	416,000

Another statistic that appears to point up the discouragement of the old to admit to themselves or the B.L.S. surveyors that they are seeking work is the plunge in the participation rate in employment of this group in contrast to the general population over the first part of this decade--

Participation Rate

	All Ages	55+
1970	38.4%	36.4%
1974	40.6%	33.1%

Coupled with these statistics, is our first-hand experience of having many, many older workers apply for the very limited job opportunities we have available through our Senior AIDES Program funded under Title IX of the Older Americans Act through the U. S. Department of Labor.

This low response by CETA Prime Sponsors to the needs of older workers was almost inevitable as the CETA administrators are mostly those past manpower administrators who had little experience with older workers before CETA and are at a loss in devising programs to help older workers.

Besides CETA, the only other manpower program available for older workers is the very effective, but very limited Title IX program. This Older Americans Act program now serving a mere 12,300 older workers, was modeled after the successful Operation Mainstream Older Workers program started in the 1960's under the Economic Opportunity Act and moved to Title III of CETA when it was enacted. Last year the Department of Labor sought to end this program and terminate the 9,000 older poor people working under it. Congress thwarted this irrational decision by appropriating money for these Operation Mainstream enrollees under Title IX.

Generally, there are two types of manpower programs that could help the older worker. One is an income maintenance program to provide part-time community service work opportunities to older workers who want and need to work but who have limited energies and are not willing or able to compete in the regular labor market. These limitations, however, in no way lesson the value of the services that these type older workers can provide in their own communities while they maintain themselves through wages rather than welfare. This is the type of program now existing under Title IX of the Older Americans Act. The National Council of Senior Citizens has been a sponsor of the program since 1968. However, the annual level of funding is only $42 million which provides a little over 12,000 part-time job opportunities for the entire U. S.

The other kind of program should include retraining, job development, and a special effort to rebuild the self-confidence of older workers who have been long out of the labor market or who have been shocked by sudden unemployment after years of competent performance. This program would serve those unemployed older people who have sufficient energy and desire to compete in the regular labor market. Possibly the majority of enrollees in this program would be women who have become widowed or divorced in their late 40's or 50's, and have no means of support and have not been in the regular labor force for a lenghty period of time. (A bill, the Displaced Homemakers Act, has been introduced into Congress to set up specialized programs for this group.)

One thing the two different older worker manpower programs have in common is the need for specially-trained administrative personnel to deliver these services apart from the regular manpower programs.

Older workers generally do not need training in how to be dependable workers, as some of the youth programs must stress. Older workers, because of the physcological impact they have suffered by being put out of a job after working 25-30 years and then facing age

discrimination, need a rebuilding of their morale and self-confidence. They may need to be trained in a new field or job. They most definitely need full support in obtaining another job because employers, like most the present manpower administrators, have been caught up in our youth-oriented society.

The National Council of Senior Citizens believes that, in order to reach the older segment of the labor force, the U. S. Department of Labor could take the following immediate steps while an over-all policy is formulated.

1) Offer support and technical assistance to those prime sponsors who are interested in operating programs for older workers.

2) Seek to interest more prime sponsors in assisting older workers.

3) Begin funding model programs under Title III of CETA.

4) Request Congress to appropriate significantly higher funding for Title IX of the Older Americans Act.

Assisting older workers will not only meet some of the needs of the older people--many of who have 15-20 or more years in which they wish to work--by allowing them the dignity of working for a living rather than subsisting on welfare, it would also make the Social Security system less costly. Robert Ball, former Commissioner of the Social Security Administration, noted this in a recent paper on the Social Security system:

> "The most significant social trend causing higher than necessary social security costs in the next century is the trend toward earlier retirement. In the 1974 Trustees' report the actuaries assumed a continuation of this trend--an assumption that resulted in an estimated additional cost to the system of .14% of payroll. If we could reverse this trend and have <u>greater</u> labor force participation among older people in the next century than we have today, there could be a significant saving for social security over what is currently estimated.
>
> "There may well be a question whether a policy of earlier and earlier retirement makes sense--either for the individual or for society--when one considers the probability of more older people living somewhat longer and with a high proportion of those in the younger part of the aged population being in reasonably good health. One quite possible and highly rational response to the change in the age distribution of the population now being predicated would be for society to employ a higher proportion of older people rather than a lower proportion as has been assumed in the cost estimates."

It would be tragic if this country allowed the resource of experience to be wasted away. It should offer opportunities for the older, as well as the younger, person to share in our nation's hopes and freedoms--neither of which the old, isolated and poor currently share.

PRE-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY

SER/JOBS FOR PROGRESS, INC.

In addressing ourselves to the employment problems of low income groups we must look seriously at the distrubing results of two recent reports. These reports were funded by the Ford Foundation and focused on the effects of CETA Legislation and its structure for delivering manpower services to the poor. One study was conducted by SER[1/] and the other by the National Research Council.[2/] Further statistics come from the Management Information System Reports for FY'74 and '75 published by the Department Of Labor. Although these studies examine the first year of CETA implementation in some detail, there are some major findings that must be stated for the benefit of these proceedings.

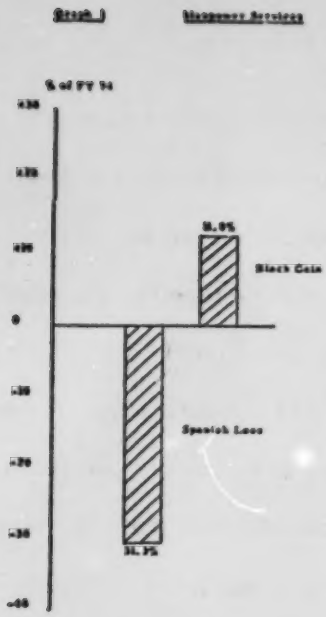
Having served the manpower needs of the Spanish-speaking community for ten years, SER is of course most interested in the effect of CETA on this population, especially since it includes such a great number of poor people.

Perhaps, the most dramatic and disappointing statistic is the lost of 81 million dollars suffered by the Spanish-speaking under CETA. This figure points out the ineffectiveness of the CETA system for providing employment services to a group of people very much in need of assistance. Under the administrative burden of CETA, manpower services to the Spanish-speaking have been cut by 31.3% from FY'74. This means that one out of every three who deserve to be served are being denied any hope of escaping economic disaster.

-1-

1/ The Impact of the First Year Implementation of CETA on the Spanish Speaking (SER/Jobs for Progress, Inc. 1975)

2/ Mirengoff, William and Lester Rindler. The Comprehensive Employment and Training Act Impact on People, Places and Programs. Wash.,D.C.,National Academy of Sciences, 1976



The staggering loss of 81 million dollars in desperately needed services points out a lack of parity with the gains of other minority groups. We strongly recommend that this extremely unfair situation be remedied at once by the funding of a Spanish-speaking community based organization to make up the loss.

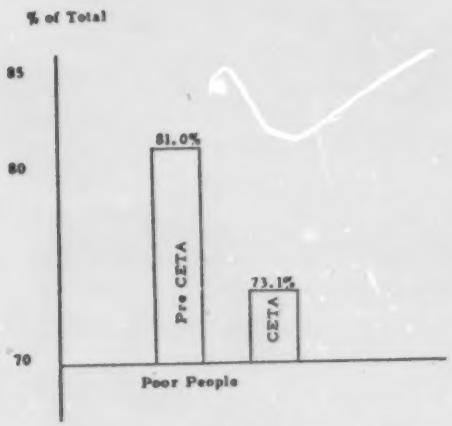
It must be further stated that under categorical and public employment programs the Spanish-speaking received 15.2% of the services available. Unfortunately, under CETA, the percentage has dropped to 10.4%.

The Ford-SER research also discovered that the "most in need", the economically disadvantaged, are receiving less priority in manpower services which are justly theirs to others less in need.

In our mind, part of the cause of this loss is a fundamental inequity in the CETA legislation itself. The CETA allocation formula gives 2/3 of the funds to the unemployed and only 1/3 to the poor family. We feel it should be just the reverse. Secondly, the change made by the Bureau of Labor Statistics (BLS) of the definition of the unemployed from place of work to place of residence shifts the funds away from those most in need.

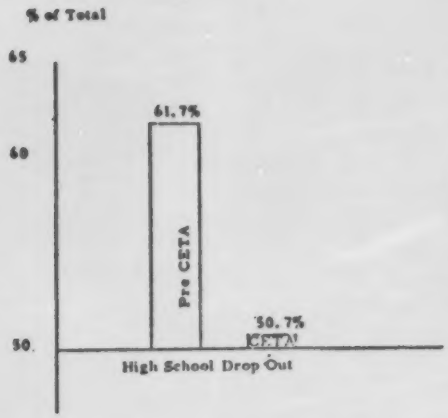
Our concern is understandable since Spanish-speaking clients are significantly poorer than others. Our conclusion is that CETA should have served the Spanish-speaking even more effectively than did categorical programs.

Graph 2 Poor Person



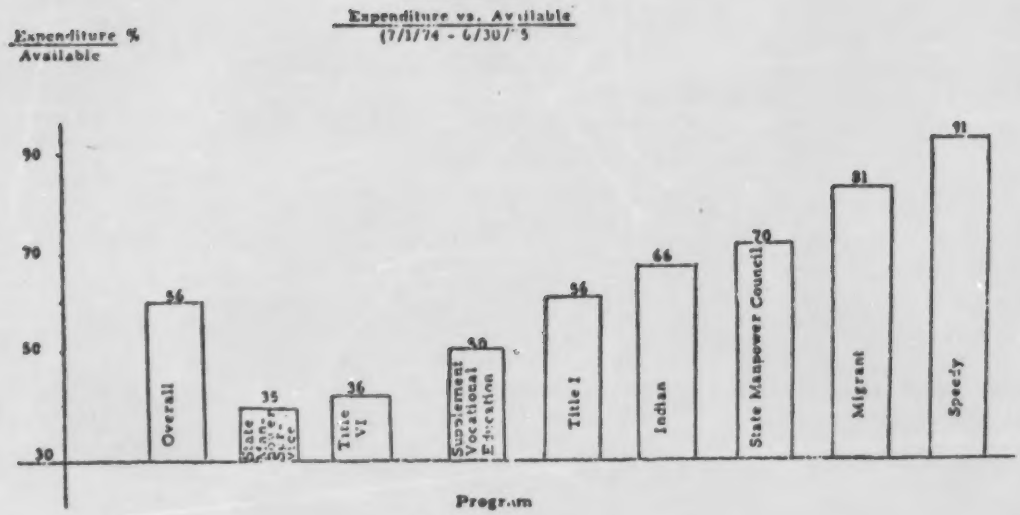
It appears that CETA has shifted its priority to the well educated rather than the countless uneducated Spanish-speaking clients waiting for assistance. The high school dropout, for example, has lost 17.8% of the service to the college educated.

Graph 3 Client Education



CETA's ineffectiveness in getting the job done for the Spanish-speaking is further demonstrated by the amount of money it has failed to spend. The enormous figure of $1,393,000,000, the amount CETA is under spent, represents a great loss to deserving clients. In spite of the fact that the demand for manpower services for the poor exceeds the supply, CETA has failed to spend $1,393,000,000 that was available for FY'75. In other words, CETA programs spent only 56.4% of the funds available. State manpower services have the worst financial management record of all seven CETA programs, having spent only 34.6% of their available funds. It should be clear from these statistics that the bureaucratic mismanagement of CETA programs has reached an inexcusable level. The situation demands serious and immediate remedials measures.

Graph 4



We cannot, in good conscience, appear before this body without strongly requesting that firm action be taken. A recommendation should be drafted calling for reallocation of 81 million dollars to Spanish-speaking poor through a community based organization.

There is no organization in the country better suited than SER to accomplish the task. It is community based, has been providing manpower services for over ten years, and has an established nationwide network that can distribute the funds to those in need.

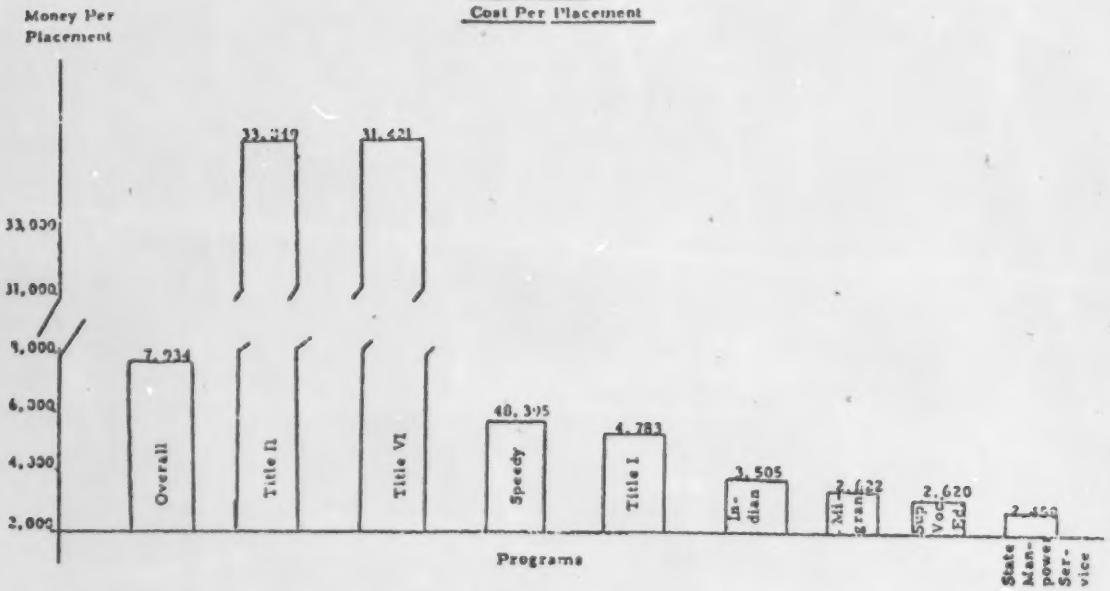
Though it may appear self-serving to propose such a plan, I will gladly place myself on the other side of the table and challenge SER in an area that is of extreme importance to all of us -- cost effectiveness. In spite of CETA's emphasis on a better educated client its cost effectiveness can only be described as extremely poor.

It cost CETA $7,934 to place a client on a non-reimbursed job. Title II programs spent $33,849 to place a client. And further the National Research Council discovered that prime sponsors are emphasizing more work experience than anticipated.

My challenge to SER, of course, is can it do a better job and still reach the proper people. The answer is an overwhelming yes. For over a decade SER has delivered effective manpower services at a cost of $1,116 per placement. The only thing left to consider is the two figures, $7,934 as opposed to $1,116. In conclusion, SER is ready, willing, and capable of offering a solution to a problem the Spanish-speaking community finds intolerable at this time.

Graph 5

Cost Per Placement



PRE-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY THE

MIGRANT AND SEASONAL FRAMWORKERS ASSOCIATION, INC.

Migrant and Seasonal Farmworkers Association, Inc.
P. O. BOX 33315
3929 WESTERN BOULEVARD
RALEIGH, NORTH CAROLINA 27606

I. Meeting the Shortfall in Jobs and Employment Opportunities

To one segment of the labor force in the United States, unemployment and underemployment has historically been the rule rather than the exception of recent times. Out of economic necessity, migrant and seasonal farmworkers perform the manual tasks involved in the harvest of American agricultural products. The work is subject to weather and other conditions with regard to availability, and seasonal at best. A large portion of these working poor travel great distances to seek their livelihood--a condition of employment seldom required of other workers. Another factor which has added to the precariousness of employment in agriculture is the development of change within the field itself.

Agriculture, in an industrial sense, continues to move toward an era of near total mechanization. Rapid advancements in farm management and technology have inspired, if not verified, a consensus that the United States must develop its potential as the world's most prolific source of food commodities. Since the early 1970's, one result of this trend has been the gradual decline of employment opportunities for farmworkers as the agricultural production community grows smaller and more specialized.

Title III, Section 303 of the Comprehensive Employment and Training Act of 1973, provides for the development and implementation of programs to meet the special needs of low-income farmworkers. In partial response to the rise in agricultural mechanization, the provision of training, education, and job development away from agriculture is found within CETA, and progress is being made. However, in terms of job opportunities being available to those

who wish to enter non-agricultural employment, the process is precluded by factors other than the existence of the current economic slow-down.

Whether migrant or seasonal, over 90% of low-income seasonal farmworkers are home based in rural areas. If contact is made at the work site, the setting is again rural. In neither case is there a significant amount of non-agricultural industry within reach. In order, then, to accept skill training and/or seek employment, the farmworker must relocate. He must either move his family into new surroundings and take the risk of acquiring a stable job; or, accept a job which has been developed for him and take the risk of finding suitable housing and other services for his family.

Accordingly, a recommendation seems in order for the expansion of the type of programs which would provide for the development of job opportunities in localized areas as well as employment of those who are most in need. Specific reference is made to the recent extension of Title X of the Public Works and Economic Development Act of 1965, through federal agencies such as the Community Services Administration. With an emphasis on the creation and expansion of job opportunities through local initiative, this process is seen as one measure toward the development of viable employment alternatives for farmworkers and others whose needs demand it.

Another factor which has led to an artificial over-supply of agricultural labor, is the apparent existence of a heretofore accurately unmeasured number of non-resident, unregistered workers from bordering countries. The Association supports strict enforcement of legislation which would disallow the use of illegal alien workers in agriculture, as well as other industries.

III. Developing Better Means and Approaches for Providing the Occupational and Other Skills Required in the Labor Market:

Years of collecting data on low-income farmworkers have yielded strong bases for conclusions regarding their job entry level needs. While aspirational levels are commensurate with industrial worker counterparts, functional literacy and skill acquisition norms generally are outside their capacity. For most the solution lies in manpower training programs which include an adequate mix of educational and vocational emphasis components. The major problems faced by operators of these programs, aside from financial, are time constraints and the lack of adequate service delivery information.

Keeping in mind the reality that the words "disadvantaged", "undereducated" and "unskilled" are often used within the context of describing manpower program clients, a reassessment of one-year timeframes in terms of enrollment to placement standards seems appropriate. Particularly for those clients who enter with extremely low testing results, longer range programs are necessary to bring them up to an adequate competitive level. The demand for immediate results, even in sound manpower programs, too often is detrimental to the overall philosophy of the effort.

The need to develop new avenues toward making occupational skill training services more available is critical. At present, there are only two residential training centers operating primarily for the purpose of relocating farmworkers into non-agricultural employment...a need which speaks for itself. Training slots available through skills centers, vocational and technical schools, and technical institutes all must be negotiated subject to curriculum,

housing and supportive services needs of individual clients. Employability plans developed for individual clients, often are subject to short-term rather than career oriented job opportunities. Greater involvement at the national and state manpower policy levels is needed to conduct research into future manpower requirements, including input from private industry, labor groups and educators. Many industries are already well into this type of effort with regard to expansion and impact assessment statements. A comprehensive statement of projected needs and services over the next several years would provide CETA project operators with the continuity of direction required in the planning and implementation of sound manpower programs.

PRE-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY THE

METROPOLITAN APPLIED RESEARCH CENTER, INC.

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888 SEVENTH AVENUE • NEW YORK, N.Y. 10019 • (212) 489-6100

December 26, 1975

THE ECONOMIC STATUS OF BLACK AMERICA: A CRITICAL RETROSPECTIVE

Presented to The

National Commission for Manpower Policy

By

Dr. Harold X. Connolly
Research Associate

The recurrent reports, headlines, and data on the grim economic status of blacks present such an unchanging, depressing picture that one constantly has the feeling of deja entendu. Illustrative economic data could be inserted here but they would merely confirm the dismal reality with which we are all familiar and which therefore need not be belabored. Rather, this article examines the philosophy, assumptions, implications, and effectiveness of various governmental efforts that have been employed in the recent past to reverse, or at least remediate, the historic pattern of black economic deprivation. Such an analysis offers a window on past failure but may also provide some lessons for future policy decisions.

During the past 15 years the United States has pursued an assortment of policies and programs ostensibly aimed at improving black economic prospects. For analytical purposes they can be divided into four general categories:

1. Government manipulation of fiscal and monetary mechanisms to assure high aggregate demand;
2. Human capital programs, especially in education and manpower training;
3. Equal opportunity and an end to discrimination;
4. Ghetto economic development.

Each profferred solution rests upon certain economic and philosophical assumptions and has produced certain economic results that need to be assessed in their totality.

AGGREGATE DEMAND POLICY

While it is rarely possible to offer any generalizations about the fragmented world of professional economics, the statement, "We are all Keynesians" (although particular exegeses differ significantly), contains reasonable validity. In classic Keynesian macroeconomics, unemployment is viewed essentially as a problem of inadequate aggregate demand in the economy. By increasing the purchasing power of society as a whole, the overall demand for goods and services and therefore for labor will correspondingly expand. In the words of Edward Banfield, "The crucial factor is the aggregate demand of the economy for goods and services. If demand is high enough, everyone who wants to work can find a job no matter how lacking in skills he or she may be." More specifically with regard to blacks, James Tobin, a member of the Council of Economic Advisors in the early-sixties, has argued that since the pace of black economic progress is "peculiarly sensitive" to general economic growth, blacks would especially benefit from a vigorous pursuit of this policy. The mechanisms for implementing this policy have generally involved government manipulation of such traditional fiscal and monetary levers as the tax structure, the money supply, interest rates, and government expenditures.

This aggregate demand approach rests upon two basic premises:

1. The private sector of the economy, given some government encouragement, can and will provide sufficient employment for most, if not all, Americans willing and able to work;
2. Benefits and money pumped into the economic system at the corporate and governmental top will trickle down to the rest of the population.

American capitalism, however, has never demonstrated either commitment to or ability to effect full employment. The private sector of the economy already benefits substantially from government largess through subsidies, tax incentives, and government contracts without the elimination of high unemployment. The American economy has consistently expanded since World War II without a corresponding reduction in unemployment. Indeed, except in time of war, official unemployment, at best an inadequate measure of employment deficiency, has seldom dipped below 5 per cent nationally which translates into a figure close to 10 per cent for blacks. Even if one disregards currently disastrous conditions, there has been a discernible long-term upward trend in unemployment during the postwar era. As unemployment rates have risen some policy makers have attempted to minimize the problem through segmentation. In other words, some members of the unemployment army are considered less important than others. By concentrating on prime working-age males, whose unemployment rate is still low, and

thereby relegating women and teenagers to an inconsequential, secondary category, the seriousness of unemployment can be discounted. Whatever validity such selectivity may have for the white world, its application to comparable blacks is unwarranted. Female earnings are vital to the economic health of many black families. Black women contribute a significantly greater percentage to family income than do white women. Black mobility out of the slum-ghettos of America is oftentimes predicated upon such dual incomes. A major contributory element in America's rhetorically deplored, rising crime rate has been the precipitous increase in black teenage unemployment. Black and white rates in 1960 were not particularly dissimilar, but by 1970, while the white rate had remained unchanged, that for blacks had doubled. Currently about 40 per cent of black youths in the civilian labor force are officially unemployed. Were the underemployed to be included, the rate would probably rise to two of every three. Clearly then, black female and youth unemployment are critical problems in the black community and are not disposable by white male fiat.

Aggregate demand theory has traditionally been tempered, if not scuttled, moreover, by those inflation-mongers who rally around the Phillips Curve and raise the spectre of unacceptable levels of inflation if the economy is not cooled and unemployment allowed to rise, a policy pursued with devastating effect in the recent past. This approach has resulted in what the

British call a Stop-Go economy, one which is alternately expanded and contracted in search of some magical equilibrium point on the supposed inflation--unemployment relation (Phillips Curve). Those thrown into the breach in this struggle--the unemployment fodder so to speak--tend to be drawn disproportionately from the poor and minority groups.

The second premise--that benefits injected at the top will trickle down to the rest of the population--is also without substantial foundation. Trickle-down is ingrained in the American system of social and economic welfare yet it has consistently failed to meet the needs of the poor. The indirect method of dollar, service, or job distribution is slow, inefficient and fitful, and corporate or government officialdom, or non-poor individuals rake off the primary benefits with diminishing returns for the purported beneficiaries toward the bottom stratum.

Blandly ignored by this theory, moreover, is the increasingly relevant question of aggregate demand for what? If it be more of the same, blacks by being disproportionately unemployed may really be contributing to the national good. Equally neglected is any concern about the type of jobs available for "everyone who wants to work." The subemployment index, which includes discouraged and underpaid workers, would be meaningless if the array of currently available jobs truly provided adequate economic and psychological remuneration. Indeed, from

a numerical perspective this latter index constitutes a far more serious employment problem, encompassing probably three to four times the number of officially unemployed in urban ghetto areas. In some cities it seems probable that half the black labor force is currently un-or underemployed.

The point of this lengthy analysis, of course, is not to argue that general economic growth is not good and should not be pursued, although increasingly that specific issue is also being raised, but that aggregate demand theory and practice constitute an insufficient approach to remedying black economic deficiencies.

HUMAN CAPITAL PROGRAMS

In the early sixties in an attempt to expand the policy tools available to the government to manipulate particular elements of the economy positively, and to provide specific techniques that would directly impact on unemployment and poverty, a new approach emerged. Disturbed by the coexistence of unfilled white collar positions and a large pool of supposed "unemployables," and fearful also of automation's elimination of low-level jobs, economists advanced the notion of "structural unemployment." This theory rested on the assumption that the primary obstacle to an individual's employment was his lack of education and/or skills. Unemployment and poverty could therefore be reduced by "raising everyone's marginal product to the level where (they) would be able to earn an acceptable income."

To achieve this end, education and training programs were enthusiastically touted and broadly undertaken.

The ability of education, or at least education as purveyed by large urban school systems, to reduce black-white inequality and act as a mechanism for economic mobility, however, has been seriously challenged by Jencks, Coleman, Weiss and others. When education is defined by the rather crude statistical measure of median school years completed, there appears to be little effect in its mitigating interracial disparities in income. In many cities blacks have attained educational parity with their neighboring whites, but their income continues to lag considerably behind that for whites. It might be argued that much of this difference is attributable to the differing age composition of black and white components, but when one controls for age, amount of schooling, and sex, the racial disparity in individual earnings, especially for males, remains substantial and disturbing. Not surprisingly, interracial differences are more extreme among older males (45+) due to the unmitigated discrimination that has depressed black income and occupational status during much of their labor force career. Among younger males (25-44) the earnings disparity remains significant with the magnitude of the discrepancy even growing with increased levels of education. When, for example, we compare black and white males, 25-34 years of age, living in the Newark metropolitan area, we find that:

1. Blacks who have either attended or graduated from high school earn approximately 80 per cent of comparable white earnings;
2. Blacks who have attended or graduated from college earn approximately 75 per cent of comparable white earnings;
3. Blacks who have attended school beyond college receive about 70 per cent of comparable white earnings;
4. A black college graduate earns only 7 per cent more than a white high school graduate;
5. A black with some post-college training earns less than a white with only 1 to 3 years of college;
6. Blacks constitute less than 5 per cent of the college graduates but 20 per cent of the 25 to 34 year old cohort;
7. Blacks constitute 12 per cent of those who have attended but not graduated from college but less than 5 per cent of college graduates, indicating a high withdrawal rate.

While the particulars vary, this same pattern is exhibited in such representative metropolitan areas as Detroit, Philadelphia, Houston and Los Angeles.

Relatively speaking, black women, on the other hand, generally earn as much or more than their white counterparts. This

reflects both the greater economic imperative for black female employment and the resultant likelihood that a black woman will work more weeks during the year than a similar white female, and a generalized discrimination that reduces the earning ability of all women.

The seeming inability of education (median school years completed) to act as a predictor of economic and employment standing is only one indication of its limited effectiveness in the economic sphere. More directly relevant to the human capital approach, it can be argued that education by itself does not produce or guarantee jobs (except for the educators) for the poor and that "education without a supply of jobs which utilize and reward the capabilities of ghetto workers is unlikely to have much impact."

During the past decade the nation has abounded with cleverly acronymic manpower programs (TEAM, Total Employment and Manpower; COPE, Career Oriented Preparation for Employment; JOBS, Job Opportunities in the Business Sector; NAB, National Alliance of Businessmen; and SEED, Skill Escalation and Employment Development, for example) that proposed to upgrade the productivity of the poor and bring them into the economic mainstream. These training programs, however, suffered limitations similar to those exhibited by the education projects. Most fundamentally, they did not create jobs for the poor. One Newark official observed wryly, "If you took all the...people

who have been trained...over the past 10 or 12 years...,you would probably have more people trained than employed." Training programs dealt only with the supply side of the labor market; that is, when jobs did not naturally occur in the labor market, manpower programs were helpless to create them. A manpower official in White Plains expressed well this critical issue; in a depressed economy "what are we training them for--skilled unemployment?" Detailed studies of manpower training efforts have consistently indicated low to insignificant absolute and relative returns on such "investments" in human capital. Conceived in enthusiasm and hope, the training programs have been variously described as a temporary alternative to unemployment and street life; an official institutionalization of the secondary labor market; an attempt to reduce welfare costs by placing blacks in low-paying jobs, rather than to raise the productivity and total wages of the black community. While some participants in the various educational and training programs have undoubtedly benefited, these schemes have generally not succeeded in improving aggregate black economic well-being.

The philosophy underpinning this human resources approach contributed to its almost inevitable demise. "Structural unemployment," despite its implication, had little relationship to the structure of the economy and everything to do with the character of the individual. In other words, it implicitly placed the blame for unemployment and poverty not on the economic

system but the person. Thus the reason that a person could not find work was that the individual himself lacked education and/or training. The labor market neither wanted nor needed the services or skills the individual possessed. Hence manpower policy aimed at changing the productive capacities of the people involved. The focus thus became the individual deficiency and not the structural limitation of the economic system. However, there are not enough decent jobs, however defined, for the poor and no amount of counseling, education, or training will alter this reality.

The problems of structural unemployment and the "hard-core" unemployed surface especially in economically slack times to explain or, perhaps, justify high levels of unemployment. Wartime and other tight labor situations have demonstrated that job requirements are indeed "adjustable" and employers will, if necessary, provide relevant, effective, on-the-job training to assure a competent work force. A million reputed "unemployables" in Britain in the 1930's contracted 90 per cent to 100,000 with wartime needs. Furthermore, the so-called "hard-core" unemployed are not, as is implied, unemployable or permanently unemployed. Within this category there occurs much mobility into and out of the labor force, on and off welfare, in and out of training programs, in serial attachment to various forms of the secondary labor market. Individual employment, and its counterpart unemployment, are the function

of a number of complex familial, individual, aleatorical, and systemic variables including change in marital status, age of children, skill, luck, condition of car, personal health, discrimination, state of the national economy. The ultimate limitation to work is not the employability of an individual or some group but the number and quality of available jobs that the economic system provides.

ANTIDISCRIMINATION LEGISLATION

The most blatant forms of job discrimination have been breached with various federal and state statutes, guidelines, and court orders, but discriminatory hiring remains a reality. It has been argued that if labor market discrimination were eliminated and black educational gains allowed to operate freely and be rewarded commensurately, the black-white earnings gap would disappear by the end of this century. One cannot, of course, argue against the adoption and enforcement of anti-discrimination, equal opportunity legislation, but one must also recognize the functional limitations of this element of the American Creed. If affirmative action and non-discriminatory hiring practices are implemented with vigor, and if one assumes (not unreasonably) the continued existence of a finite job pool, then what one essentially effects is a racial rearrangement of unemployment. In other words, equal rights to employment for blacks becomes tantamount to equal rights to unemployment for non-blacks. This perception of self-interest lies at the

root of much white hostility to equal opportunity programs. The principle of affirmative action is currently clashing with the hard won union principle of seniority. The primary casualties thus far have been minorities and women, those who previously benefited from affirmative action opportunities. The meaning and implication of this conflict are clear. Unless the economic pie is substantially enlarged, one can anticipate, especially in recessionary times, general, overt, and probably effective opposition to the meaningful implementation of any non-discriminatory program

GHETTO ECONOMIC DEVELOPMENT STRATEGY

Internal ghetto economic development as a remedy for black pennilessness and powerlessness has periodically surfaced in various guises including:

1. Black Capitalism;
2. Location in the ghetto of branch plants of major corporations;
3. Community economic development programs.

Historically ghetto enterprise has been divided into what might be called a dual retail market; a primary, profitable, large, white-dominated component and a black business sector that was small, frequently service oriented, and marginally profitable. Black Capitalism aimed ostensibly at remedying this reality and even facilitating black business succession to complement previous black residential succession. Yet the

programs generated by the minority component of the Small Business Administration and its successor, the Office of Minority Business Enterprise, were modest in the extreme. Such "Candy-Store Capitalism" never envisaged the creation of black IBM's, Exxon's, or U.S. Steel's. Most of its entrepreneurial creations were small and hence suffered from the normal economic risks and attrition of all small business enterprises, in addition to facing the peculiar problems of location in an excessively impoverished area. Moreover, due to their smallness they created neither linkages with the larger economic system nor jobs for the local community. Conservative and radical economists have deplored respectively the wasteful and the token character of this form of mini-, separate and unequal, capitalism.

During the latter sixties, some large corporations sought to discharge their social obligations by locating branch plants in ghetto neighborhoods. These facilities were designed to provide locally available employment opportunities and to pump additional money indirectly into the ghetto economy. Probably the most publicized venture has been IBM's Bedford-Stuyvesant cable manufacturing plant which employs over 400 persons and is managed by a black. While many plants, including IBM's. have been successful or not lost money, many other such enterprises have closed or operate below capacity. Moreover, few major corporations have recently attempted to initiate or expand

their ghetto-based operations. Most have clearly preferred to locate or relocate to a suburban setting rather than the ghetto. IBM employs 400 persons in Bedford-Stuyvesant but 9,000 in Westchester County.

Another form of ghetto economic betterment is the community development corporation (CDC) exemplified by such institutions as the Bedford-Stuyvesant Restoration Corporation, Harlem Commonwealth Council, or Hough Area Development Corporation. These community oriented corporations provide a multitude of services and types of investment including direct business investments or loans, organization of mortgage pools, housing renovation, technical assistance to local entrepreneurs, bonding for local contractors, loans to local pharmacies awaiting delayed Medicaid payments. Profits are viewed as but one of several desirable ends which also include manpower training, consumer education, reduction of anomie, development of political strength. This simultaneous pursuit of economic and social aims, of quantitative and qualitative objectives, represents something of an alternative institutional model to the traditional economic organization of production and consequently creates what Bennett Harrison calls, "a powerful contradiction" which the system may not be willing to tolerate beyond a certain point. Since most of these corporations rely primarily upon the continued generosity of the federal government and, to a lesser extent, private foundations, their extreme financial

vulnerability is elementary. A decade or two of unmolested development might raise many CDC's to independent viability and improve the economic health of the ghetto but federal funds remain at best a "sometime thing." Furthermore, such funds as have been allotted by government and foundation sources have not even begun to meet the economic needs of the community. The most generously financed CDC has been the Bedford-Stuyvesant Restoration Corporation which has received about a third of all federal government disbursements to these corporations. Between 1967 and 1974 Restoration obtained $50 million in overall funding support which amounted to an investment of only about $125 per Bedford-Stuyvesant resident over a seven year period.

Whatever particular program pursued, the ability of ghetto developers to attain the necessary economic base line, either through external or community resources, becomes crucial. Most schemes have tended to rely on an external, usually governmental, funding source. Although some blacks have indeed benefited from such monies, official commitment to and expenditures upon the various forms of ghetto economic development have never approached adequacy nor can one expect any serious movement in this direction. Moreover, internal self-help models face the formidable obstacle of a black, urban ghetto with quite restricted income and wealth. To what extent can one construct an internal economic growth model based on relative poverty?

Finally, it can be argued that ghetto neighborhoods are not essentially different from many other predominantly white, central city or suburban neighborhoods. Both tend to be primarily residential in character with few locally available employment opportunities. Viewed from this perspective, what distinguishes Bedford-Stuyvesant from Bay Ridge, Newark's Central Ward from the Vailsburg section, is relative income. If black ghetto residents economically resemble the residents of these white neighborhoods, then the question of ghetto poverty would be rendered moot. At that point the concept of the community as dormitory could be applied indiscriminately to black and white neighborhoods.

CONCLUSION

To whatever factors one attributes current black economic conditions, it is clear that past efforts at amelioration have produced a meager harvest. A restatement or rearrangement of previous "solutions," therefore, will not generate any meaningful improvement. The full participation of blacks in a more economically equitable society must presume new thinking, attitudes, and approaches. What suggestions, comments, expectations can we contribute to this developmental process?

1. Policies and programs that focus on the supply side of the labor market are impotent to affect the far more critical demand side. If there be no demand for a person then that person is economically

a cipher, no matter what his skill or education level. This is a lesson being learned by an increasing number of college graduates.

2. The demand side can only be stimulated by much expanded government expenditures either in the form of public service employment (preferably), disguised public works projects (weapons development and procurement, highway construction, etc.), or labor impressment (renewed military and/or civilian service draft). With every level of government currently crying fiscal wolf, how likely is this solution?

3. Policies and programs that do not acknowledge the systemic character of black economic deficiency are designed not so much to fail as not to succeed since they attack symptoms but not root causes. They offer a package of advice and social services, not economic well-being.

4. Given the present climate, no program perceived as black targeted will be tolerated. The sixties are dead. As recent attacks on school desegregation and affirmative action have indicated, blacks are no longer "in."

5. Ultimately, the decision to do or not do anything will be based not on economics or equity but politics.

This merely adds to the unlikelihood of any serious effort for a meaningful solution. The underrepresentation, underregistration, and poverty of blacks renders them politically impotent.

6. Unless something radically new and different occurs the outlook for blacks, especially urban ghetto blacks, is grim. In other words, the relative gap between black and white income, wealth, and employment will continue in the foreseeable future as it has persisted historically. Black advancement will hinge upon concurrent white advancement. In lapsing into such un-American pessimism, one runs the risk of prophecy and prediction being misconstrued for advocacy, but any unsentimental, pragmatic observer of the present and the past, whatever his values, is moved, if not compelled, in this direction.

APPENDIX D

WRITTEN COMMENTS SUBMITTED BY CONFERENCE PARTICIPANTS SUBSEQUENT TO CONFERENCE

PAGE

A. SUBMISSION BY THE OIC'S OF AMERICA, INC..... 82

B. SUBMISSION BY THE NATIONAL URBAN LEAGUE, INC..... 86

C. SUBMISSION BY THE NATIONAL COUNCIL OF SENIOR CITIZENS, INC..... 89

D. SUBMISSION BY THE BLACK ECONOMIC RESEARCH CENTER... 93

POST-CONFERENCE SUBMISSIONS PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY

OIC's OF AMERICA

OICs of America, Inc., 100 West Coulter Street, Philadelphia, Pa. 19144 • (215) VI 9-3010

REV. LEON H. SULLIVAN
Founder & Chairman of the Board

ELTON JOLLY
Executive Director

January 27, 1976

Mr. Robert T. Hall
Director
National Commission for
Manpower Policy
1522 K Street, N.W., Suite 300
Washington, D. C. 20005

Dear Bob:

I want to take this opportunity to thank you and the Commission for the privilege of participating in the Commission's conference on Employment Problems of Low Income Groups. I commend you for having the vision and concern to call together representatives of groups which are committed to serving low income persons to discuss and propose manpower policy. I hope that more meetings are planned, and the frank and open exchange which occurred at this meeting is extended to cabinet members who are also a part of the Commission, so that they may have the opportunity to enter into the discussion.

I would also like to suggest the Commission consider the following as it proceeds in its examination of manpower policy:

1. The Commission must assure there is a clear policy which demands that all who are a part of the "manpower System" are accountable to the people of the United States. To accomplish this, there must be a clearly defined set of policies and standards by which Federal Agencies, State and local government, and Community-based organizations can be judged. The results of these studies must be made available to the public so that they can determine the effect of manpower policy and programs.

2. The Commission should assure the manpower law is implemented by the Executive Branch of Government. The implementation of CETA has not followed the mandate of the Congress. For example, the CETA Legislation speaks of establishing a flexible and decentralized system at the Federal, State and local levels.

This has been interpreted by most to mean decategorized and decentralized programs. I suggest flexibility expands options and creativity, while decategorization means eliminating that which exists. This is but one example of misinterpretation of the intent of the Congress.

3. The Commission should recommend a CETA evaluation of the effectiveness of alternative mixes of service which are a part of Prime Sponsor's plans. This information would help determine which services are most effective in serving low income persons.

4. The Commission should recommend the funding of manpower programs for three years so Prime Sponsors and deliverers of service can have some stability and make long term plans.

5. The Commission should recommend Affirmative Action plans be implemented, and agencies which are charged with enforcing equal employment opportunity be provided with enough staff to enforce the law equitably and universally.

6. The Commission should recommend an improved labor market information system which counts the "hidden unemployed," underemployed and discouraged workers. This data is necessary for the distribution of funds among political jurisdictions, and for planning at the State and local level.

7. The Commission should examine all manpower related programs including career education, vocational and technical education, and recommend ways in which service to low income persons can be assured.

8. The Commission should study alternatives to the present income maintenance programs. This study should provide for ways in which assurance can be given that all Americans have a minimum income level which is guaranteed by the government.

I want to also ask the Commission to suggest to the Federal agencies responsible for the implementation of manpower programs, to call together representatives of Community-based Organizations to discuss implementation of manpower policy at least once a year. The Manpower Commission meeting was the first time I was able to meet with colleagues from other agencies which are concerned with the problems of the poor to share our mutual concern with any government agency. As you recognize the value of this type of meeting, I suggest that you

recommend regular meetings between the Employment and Training Administration, and Community-based Organizations.

Again, I want to thank you for the opportunity to participate in your meeting. I encourage you to continue this precedent setting dialogue, and look forward to our next meeting.

Sincerely yours,

Elton Jolly

Elton Jolly
National Executive Director

EJ/jd

POST-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY THE

NATIONAL URBAN LEAGUE, INC.

National Urban League, Inc.

The Equal Opportunity Building
500 East 62nd Street, New York, N.Y. 10021
Telephone: (212) 644-6500

COMMENTS AND RECOMMENDATIONS ON THE NCMP CONFERENCE ON EMPLOYMENT PROBLEMS OF LOW INCOME GROUPS

The National Urban League and its one hundred and four (104) affiliates throughout the nation are actively seeking to secure equal opportunity for the disadvantaged, the unemployed and the underemployed.

The League is committed to a national policy for full employment which will incorporate broad economic and social planning to achieve the goal of a more equitable society that fairly distributes income, goods and services to all Americans.

To adequately make recommendations to Congress which will affect manpower policy, the Commission needs to gather accurate data, assess current programs and the needs of the poor and make recommendations based on needs, not Congressional authorizations and allocations.

After participating in the very fruitful conference of the Commission on January 15th, we recommend the following for your early consideration:

1. that all future Commission conferences have a cross-section of Commission members, Congress, labor, industry, business, education, federal agencies, community organizations, and the "poor" to participate in discussions together.

2. that the Commission utilize, on an ongoing basis, input and participation from community organizations, since the Commission does not have representatives from these organizations on its staff.

3. that the funding of employment and training programs to community-based organizations should be provided for a minimum of three (3) years to guarantee continuity, comprehensive planning, evaluation and meaningful follow-up to the poor and other clients.

Contributions to the National Urban League are tax deductible

4. that the Commission insist that laws relating to affirmative action and equal opportunity be adhered to and that all employers - industry, business, labor, education, federal, state and local government - obey and apply the law; and that adequate funding be provided for the staffing of the regulatory agencies that are responsible for the compliance of all affirmative action laws.

5. that the Commission increase its efforts to assist those who are responsible for education and career development programs; to help them to re-define their roles and re-direct their services along the lines of the charge of the Commission.

6. that the National Urban League's Hidden Unemployment Index, based on the Joint Economic Committee formula, be utilized to more accurately state unemployment conditions.

7. that vocational technical institutes be made accessible to all Americans by providing public transportation for urban dwellers; by the enforcement of affirmative action and the elimination of discriminatory practices of such institutions.

8. that vocational training institutes provide better occupational guidance for their students, increase the proportion of those completing training, and improve placement services for their graduates in training related jobs.

9. that the Commission support a Credit Income Tax policy to assure all families an equitable and stable income guarantee to purchase required goods and services.

10. that accurate and quality data be required by all levels of government, City, County and State and the Department of Labor, in order to have meaningful information for planning, operating programs, providing services and evaluation of same.

11. that comprehensive employment statistics be collected for Prime Sponsor areas to assure a more equitable allocation of CETA funds and assure that those most in need receive priority services.

12. that the Commission join with other groups in endorsing the goal of an equitable national full employment policy which will include planning for quality programs in education, health, housing, transportation, employment and training.

POST-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY

NATIONAL COUNCIL OF SENIOR CITIZENS, INC.

POST-CONFERENCE MEMORANDUM SUBMITTED BY

NATIONAL COUNCIL OF SENIOR CITIZENS

to

NATIONAL COMMISSION FOR MANPOWER POLICY CONFERENCE

January 15, 1976

At the January 15, 1976, Conference, submission of comments to the Conference was invited.

The National Council of Senior Citizens would like to reiterate what we believe are legitimate recommendations for changes in manpower policy in the United States.

1. All people should have the opportunity to work. For all but a very few Americans, having the opportunity to work is the key to life, liberty, and the pursuit of happiness.
2. Manpower programs should first assist and fill public service jobs with disadvantaged workers least likely to be successful in the unsubsidized labor market. Relative to this objective, the law should be changed from its present loosely worded state to a compelling form. This priority should be ongoing during good and poor economic climates. Built into these programs should be mechanisms to allow all participants to reach their full potential as workers. Some participants will be readied for the regular labor market; others must be continued on public service jobs as long as they are willing and able to work.
3. A system should be retained to provide transitional public service jobs when the private sector cannot utilize all people who wish to work.

4. The Federal government must establish and enforce effective standards for fulfilling the objectives of manpower programs. The government should insure that these programs are administered on a non-discriminatory, non-political basis, that the most disadvantaged are served, and that the jobs are truly public service in nature. Based on past records, these standards and objectives can be fulfilled, sometimes more effectively than with direct government administration, if non-profit and community based organizations are given the opportunity to work with manpower programs. These organizations should be utilized to (1) administer programs targeted to special groups--be they young workers, older workers, minority workers, migrant workers, handicapped workers, etc., and (2) initiate new demonstration programs and experimental methods of assisting people to gain the best working opportunities.

5. Due to the delay of enacting authorizing legislation, there has been no appropriation yet this fiscal year for Title IX of the Older Americans Act--the only hope for many older unemployed workers to gain work opportunities. (See attached pre-conference paper on older worker need and CETA) The National Council of Senior Citizens urges that the National Commission for Manpower Policy take the extraordinary step

and immediately recommend to Congress that Title IX be fully funded for the remainder of this fiscal year, the interim period, and FY '77. Title IX provides part-time jobs to older workers who are at or below the poverty line and who are willing and able to work. People on the waiting lists for Title IX jobs have been seeking work for months and sometimes years, yet because of age discrimination and then loss of self-confidence, they have been unable to obtain any work. They have been forced onto welfare and live in isolation, even though they possess talents and skills that, if given a chance, make them very useful and conscientious employees.

The National Council of Senior Citizens appreciates very much having this opportunity to voice its concerns and recommendations in this important field. We hope that the National Commission for Manpower Policy will accept our comments and support these recommendations in its proposals to our lawmakers.

We also hope that the National Commission for Manpower Policy, in its continuing pursuit to find the best manpower policies for all, will call on the National Council of Senior Citizens in the future.

POST-CONFERENCE SUBMISSION PRESENTED

TO THE

NATIONAL COMMISSION FOR MANPOWER POLICY

BY THE

BLACK ECONOMIC RESEARCH CENTER

THE BLACK ECONOMIC RESEARCH CENTER
112 West 120th Street, New York, New York 10027 • (212) 666-0310 – 0345

Director
ROBERT S. BROWNE

January 29, 1976

Mr. Robert T. Hall, Director
National Commission for Manpower
Policy
1522 K Street, N.W.
Suite 300
Washington, D.C. 20005

Dear Mr. Hall:

Thank you for your letter of January 22, and for the opportunity of participating in the Commission's conference on employment problems of low income groups.

In terms of additional comments, most of what I have to offer are in the way of underlining some of the ideas expressed by other conference participants, with a few interpretations of my own. In particular:

1. The manpower problems of the 1970's are in most instances the problems of the sixties, writ large. The tenuous circumstances of a sizeable proportion of low income and "disadvantaged" groups have become more difficult during the stagflation the United States has been experiencing these past few years. In particular, I refer to the problems of low-paying and dead-end jobs; unemployment; discrimination; and the erosion of standards of living.

2. In preparing a strategy for dealing with these employment related problems, a distinction should be made between short and longer range solutions, both analytically and in programmatic terms.

   Short-range--public service jobs; increased vigilance and enforcement powers for antidiscrimination enforcement agencies; specific skills training for available job opportunities.

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Longer range--redefinition of the "acceptable" tradeoff between inflation and unemployment, such that global unemployment rates in excess of 5% are unacceptable; strong, on-going program of wage and price controls on highly concentrated sectors of the economy; a national program for the continuous education and retraining of workers, with both private and public agencies participating as prime sponsors, and the federal government acting as employer of first resort; a negative income tax income maintenance scheme administered by the federal government.

3. The above longer range solutions are ambitious and somewhat controversial, but seem to be indicated by the past performance of the American economy. Even in the best of times blacks and other low income groups account for a disproportionate share of the unemployed and those receiving public assistance. In fact, even when income is held constant, blacks do not fare as well as comparable whites.

   Some of my recent findings indicate that in 1969, among residents of low income areas of New York City, black males could expect to become unemployed about twice as often as comparable whites, and then remain unemployed about two weeks per spell (compared to <u>one day</u> per spell for white males). Clearly, then, merely boosting the rate of economic growth will not in and of itself solve the employment-related problems of low income groups.

Hopefully these comments will prove useful to you and the commission in its further discussions of these difficult but important questions.

If I can be of further assistance please feel free to call on me.

Sincerely,

Charles L. Betsey

Charles L. Betsey
Director of Research

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PUBLISHED REPORTS OF THE NATIONAL COMMISSION FOR MANPOWER POLICY

- An Interim Report to the Congress of the National Commission for Manpower Policy: *The Challenge of Rising Unemployment*. Report No. 1. February 1975.
- An Interim Report to the Congress of the National Commission for Manpower Policy: *Public Service Employment and Other Responses to Continuing Unemployment*. Report No. 2. June 1975.
- First Annual Report to the President and the Congress of the National Commission for Manpower Policy: *Toward a National Manpower Policy*. Report No. 3. October 1975.
- *Proceedings of a Conference on Public Service Employment*. Special Report No. 1. May 1975.
- *Manpower Program Coordination*. Special Report No. 2. October 1975.
- *Recent European Manpower Policy Initiatives*. Special Report No. 3. November 1975.
- *Proceedings of a Conference on the Role of the Business Sector in Manpower Policy*. Special Report No. 4. November 1975.
- *Proceedings of a Conference on Employment Problems of Low Income Groups*. Special Report No. 5. February 1976.

Reports are available from the Commission's offices at 1522 K Street, NW, Suite 300, Washington, D.C. 20005.